



Continuous Self-Improvement

This term is often associated with success. Most effective individuals and businesses practice this. So what is it really? It is the process of looking at yourself or organization and being honest about how you do things and ways to improve them. It sounds very simple. At Arrha, we apply this process throughout our organization.

The main premise is that you try to find better ways of doing the functions of your everyday life, whether personal or professional. It takes a tough individual or organization to do this. Many times you are so fearful of being self-critical; you don't look at yourself or organization. Therein lies the stumbling block. If you don't look at these things, you can never improve. If you're not able to accept that something about you needs to improve, you'll never be able to fix it. The most successful organizations master this. GE, under Jack Welch's guidance as CEO, did this well. They were always looking to improve and looking at themselves. We all know how successful they were!

Arrha Credit Union has been doing this on an ongoing basis. It is very subtle in most cases. We are continuously looking inward to better improve our processes for our members. The better we are as an organization means the better we are in serving you.

One example of this is improving our process of electronic banking, both computer and mobile devices. We are moving towards a new platform that will make us the *premier* player in our area. This is incredibly great news for our existing members and we will also be able to generate new members. Another example is the opening of our West Springfield branch. By taking a close look at our operations, we made the difficult decision to move the branch from Westfield to West Springfield. We identified our weak spots and implemented the move, improving your overall branch experience.

In the forefront of all these business decisions is you, our members. We are constantly trying to be the best we can be for the membership. This is what drives us. We are and will always strive to continuously self-improve to make ARRHA Credit Union the best!

Best regards,

Michael S. Ostrowski

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Fake emails could cost you thousands¹

May 16, 2017 by Christina Tusan *Attorney, Western Region, FTC*

Think you got an email from a business you know? Scammers sometimes use emails that look legit to trick you into sending money to them.

The email might say it's from a real estate professional you're working with, telling you there's a last-minute change and you should now wire your closing costs to a different account. Or it could seem to be an email – with an invoice – from your utility company, telling you to wire payment. Whatever the story, if you wire that money, it goes to the scammer – and you may never see your money again.

These scammers might get your information by hacking into a business. Once they know about you, they send an email that seems to come from the business, telling you where to send money. So, how can you spot these scams?

- Never wire money to anyone who emails – or calls – and asks you to. Instead, check it out.
- Contact the company through a number or email address you know is real. Don't use phone numbers or links in the email.
- Don't open email attachments, even from someone you know, unless you're expecting it. Opening attachments can put malware on your computer.

If you've already sent in money to a scammer, act quickly.

- If you wired money through your bank, ask them right away for a wire recall. If you used a money transfer company, like Western Union or MoneyGram, call their complaint lines immediately.
- Report your experience to the FTC and to the FBI's Internet Crime Complaint Center at ic3.gov. Give as much information as you can, including all requested banking information. The sooner you get this report in to ic3, the more likely they can help you.
- If the credit union representative asks for a police report, give them a copy of your report to ic3.gov. 📧

Also, learn more about protecting yourself from phishing by visiting

www.consumer.ftc.gov/articles/0003-phishing

¹ <https://www.ftc.gov/site-information/website-policy>



What Newbie Home Buyers Need to Know

by Susan Tiffany, CCUFC

Buying your first house is an exciting time, but admittedly a little scary, as well. The allies at your credit union have your back. They can help you minimize anxiety by being prepared.

If you haven't already, call a loan officer there and have a conversation about your questions and your goals. The lender is likely to share with you some version of these steps:

Know your credit report

Go to annualcreditreport.com and get your credit report from all three of the reporting agencies; you get one free report a year. This step is important because your credit score can make a huge difference in how much you qualify to borrow and what you pay for the money.

Usually, we suggest you order one credit report every four months from a different credit bureau. But when your plan is to buy a house, check all three at once because your goal is to identify anything that could scuttle your loan or drive up its cost. [If you find errors, correct them.](#) That won't happen overnight so, even if your home purchase is several months in the future, make sure your credit report is up to snuff now.

If the facts are accurate and reflect a sloppy credit history, expect to spend at least six to 12 months cleaning things up with flawless credit habits.

Know what other documents will be useful

When you talk with a lender about applying for a home loan, you might need several other records:

- *W-2 forms.* Make copies from the past two years.
- *Paystubs.* Copy your two most recent ones.
- *Financial account statements.* Collect statements, including those from retirement accounts, for the past few months.
- *Lines of credit.* If you've opened any in the past six months, you'll need copies of those statements because they might not show up on your credit report.
- *Information about vehicles you own.* Include make, model, and resale value.
- *Auto-loan account information.* Include account numbers and statements.
- *Credit card account information.* Include numbers and types of cards, balances, and minimum payments.
- *Other loan account information.* Include student loans and personal loans.
- *Gifts.* If any money for your down payment was given to you, identify how much and where it came from. Be prepared to document that it's a gift and not a loan.

When you call to make an appointment, ask what papers you should bring with you.

Know what you can afford

This depends on a few things: Your income and its stability, how much you have for a down payment, and your existing debt level are all elements that come into play.

Maybe you have heard the 28/36 guideline. This means:

- Your total monthly housing commitment—mortgage principal and interest, property taxes, and homeowners insurance—should be no more than 28% of your income before taxes and other deductions, called your gross monthly income. So, if your gross monthly income is \$3,000, the monthly house payment should be \$840 or less.
- Your *total* debt—meaning house payments plus student loans, car loans, and credit cards—should be no more than 36% of your gross monthly income. That means if your gross monthly income is \$3,000, all monthly debt payments should top off at \$1,080.

These are guidelines. You also have to consider how much of your monthly cash flow you want to put into house payments so you don't end up "house poor." Think in terms of what house payment you can handle and still have money for savings, education, vacations, entertainment, childcare, and other priorities.

Know your savings status

You'll have to come up with anywhere from 5% to 20% down on a conventional home loan—or from \$7,500 to \$30,000 on a \$150,000 house. Here again, your credit union loan officer can help you learn about options you're eligible for that can bring the numbers within reach.

In addition to a down payment, be prepared for these expenses, which you can't roll into your mortgage:

- Closing costs for title search, appraisal fee, loan origination fee, and more
- Utility hook-up charges
- Prepayment of taxes, interest, and property insurance
- Moving expenses

You can expect to shell out for paint, window coverings, appliances, and other basics to make your new place move-in ready. That's why you don't want to draw down your entire emergency fund to come up with a down payment.

So if you don't have a down payment—and an emergency fund—it's a little premature to think about buying a house. Here again, your credit union lender can help you calculate what you need and how much you want to keep on hand for the inevitable expenses that arise after you buy a house. 🏠

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All rates listed are based on our A+ credit grade. Your actual rate may be higher depending upon your individual credit score and vehicle year.
We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

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New Hires:

Congratulations **Tony Sanches**, new West Springfield Branch Manager & Business Development Officer
Welcome **Lucas Manzi**, Accounting Department and Finance Manager
Welcome **Andrew Ryan**, Springfield full-time Teller



Dan Lewis, Financial Advisor
CUSO Financial Services, L.P.
(413) 205-2089 Dan.Lewis@cusonet.com

Are you ready to retire?

Here are some questions to ask yourself when deciding whether or not you are ready to retire.

Is your nest egg adequate?

It may be obvious, but the earlier you retire, the less time you'll have to save, and the more years you'll be living off your retirement savings. The average American can expect to live past age 78.* With future medical advances likely, it's not unreasonable to assume that life expectancy will continue to increase. Is your nest egg large enough to fund 20 or more years of retirement?

When will you begin receiving Social Security benefits?

You can receive Social Security retirement benefits as early as age 62. However, your benefit may be 25% to 30% less than if you waited until full retirement age (66 to 67, depending on the year you were born).

How will retirement affect your IRAs and employer retirement plans?

The longer you delay retirement, the longer you can build up tax-deferred funds in traditional IRAs and potentially tax-free funds in Roth IRAs. Remember that you need taxable compensation to contribute to an IRA.

You'll also have a longer period of time to contribute to employer-sponsored plans like 401(k)s — and to receive any employer match or other contributions. (If you retire early, you may forfeit any employer contributions in which you're not fully vested.)

Will you need health insurance?

Keep in mind that Medicare generally doesn't start until you're 65. Does your employer provide post-retirement medical benefits? Are you eligible for the coverage if you retire early? If not, you may have to look into COBRA or an individual policy from a private insurer or the health insurance marketplace — which could be an expensive proposition.

Is phasing into retirement right for you?

Retirement need not be an all-or-nothing affair. If you're not quite ready, financially or psychologically, for full retirement, consider downshifting from full-time to part-time employment. This will allow you to retain a source of income and remain active and productive. 📧

*NCHS Data Brief, Number 267, December 2016

Please join us for

Consolidating Retirement Plan Assets
July 27, 2017 5:30-6:30pm
 145 Industry Avenue Springfield, MA 01104
 Deadline for registration Monday, July 24
 Register by calling **413-732-9812** or emailing **dan.lewis@cusonet.com**.

Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal. Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

| Holiday Closings | | |
|------------------|-------------|------------------|
| Tuesday | July 4 | Independence Day |
| Monday | September 4 | Labor Day |

The Statement, Summer 2017

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The Statement is a quarterly newsletter publication for the benefit of Arrha members.



Our Mission

Assist our members in reaching their financial goals by providing superior products and services in a personalized manner.